

**Introduced by Senator Runner**

February 18, 2005

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An act to amend Section ~~39607~~ 40709.6 of the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 475, as amended, Runner. Air pollution-inventory: stationary sources: emissions reductions: banking.

*Existing law requires every air pollution control district and air quality management district to establish, by regulation, an emissions reduction bank containing emissions reductions to offset future increases in the emissions of air contaminants. Existing law sets forth the requirements for developing and implementing the bank, and allows increases in emissions of air pollutants at a stationary source located in a district to be offset by emission reductions credited to a stationary source located in another district if both stationary sources are located in the same air basin or, if not located in the same air basin, if specified requirements are met. Existing law imposes specified requirements on districts that participate in offsetting emissions increases by emissions reductions. Existing law requires any offset to be approved by a resolution adopted by the governing board of each affected district and permits the governing board of a district to delegate the approval function to its air pollution control officer.*

~~Existing law requires the State Air Resources Board to inventory sources of air pollution within the air basins of the state and determine the kinds and quantity of air pollutants, including, but not limited to, the contribution of specified sources of emissions.~~

~~This bill would make a technical, nonsubstantive change in that provision.~~

*This bill would eliminate the requirement that any offset be approved by a resolution adopted by the governing boards of the affected districts and eliminate the provision permitting any district governing board to delegate the approval function to its air pollution control officer.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 39607 of the Health and Safety Code is~~  
2     ~~amended to read:~~

3     ~~SECTION. 1. Section 40709.6 of the Health and Safety Code~~  
4     ~~is amended to read:~~

5     40709.6. (a) Increases in emissions of air pollutants at a  
6     stationary source located in a district may be offset by emission  
7     reductions credited to a stationary source located in another  
8     district if both stationary sources are located in the same air basin  
9     or, if not located in the same air basin, if both of the following  
10    requirements are met:

11    (1) The stationary source to which the emission reductions are  
12    credited is located in an upwind district that is classified as being  
13    in a worse nonattainment status than the downwind district  
14    pursuant to Chapter 10 (commencing with Section 40910).

15    (2) The stationary source at which there are emission  
16    increases to be offset is located in a downwind district that is  
17    overwhelmingly impacted by emissions transported from the  
18    upwind district, as determined by the state board pursuant to  
19    Section 39610.

20    (b) The district, in which the stationary source to which  
21    emission reductions are credited is located, shall determine the  
22    type and quantity of the emission reductions to be credited.

23    (c) The district, in which the stationary source at which there  
24    are emission increases to be offset is located, shall do both of the  
25    following:

26    (1) Determine the impact of those emission reductions in  
27    mitigation of the emission increases in the same manner and to

1 the same extent as the district would do so for fully credited  
2 emission reductions from sources located within its boundaries.

3 (2) Adopt a rule or regulation to discount the emission  
4 reductions credited to the stationary source in the other district.  
5 The discount shall not be less than the emission reduction for  
6 offsets from comparable sources located within the district  
7 boundaries.

8 ~~(d) Any offset credited pursuant to subdivision (a) shall be~~  
9 ~~approved by a resolution adopted by the governing board of the~~  
10 ~~upwind district and the governing board of the downwind~~  
11 ~~district, after taking into consideration the impact of the offset on~~  
12 ~~air quality, public health, and the regional economy. Each district~~  
13 ~~governing board may delegate to its air pollution control officer~~  
14 ~~the board's authority to approve offsets credited pursuant to~~  
15 ~~subdivision (a).~~

16 39607. The state board shall:

17 (a) Establish a program to secure data on air quality in each air  
18 basin established by the state board.

19 ~~(b) Inventory sources of air pollution within the air basins of~~  
20 ~~the state and determine the kinds and quantity of air pollutants,~~  
21 ~~including, but not limited to, the contribution of natural sources,~~  
22 ~~mobile sources, and area sources of emissions, including a~~  
23 ~~separate identification of those sources not subject to district~~  
24 ~~permit requirements, to the extent feasible and necessary to carry~~  
25 ~~out the purposes of this chapter. The state board shall use, to the~~  
26 ~~fullest extent, the data of local agencies and other state and~~  
27 ~~federal agencies in fulfilling this purpose.~~

28 ~~(c) Monitor air pollutants in cooperation with districts and~~  
29 ~~with other agencies to fulfill the purpose of this division.~~

30 ~~(d) Adopt test procedures to measure compliance with its~~  
31 ~~nonvehicular emission standards and those of districts.~~

32 ~~(e) Establish and periodically review criteria for designating~~  
33 ~~an air basin attainment or nonattainment for any state ambient air~~  
34 ~~quality standard set forth in Section 70200 of Title 17 of the~~  
35 ~~California Code of Regulations. In developing and reviewing~~  
36 ~~these criteria, the state board shall consider instances in which~~  
37 ~~there is poor or limited ambient air quality data, and shall~~  
38 ~~consider highly irregular or infrequent violations. The state board~~  
39 ~~shall provide an opportunity for public comment on the proposed~~  
40 ~~criteria, and shall adopt the criteria after a public hearing.~~

~~(f) Evaluate, in consultation with the districts and other interested parties, air quality-related indicators which may be used to measure or estimate progress in the attainment of state standards and establish a list of approved indicators. On or before July 1, 1993, the state board shall identify one or more air quality indicators to be used by districts in assessing progress as required by subdivision (b) of Section 40924. The state board shall continue to evaluate the prospective application of air quality indicators and, upon a finding that adequate air quality modeling capability exists, shall identify one or more indicators which may be used by districts in lieu of the annual emission reductions mandated by subdivision (a) of Section 40914. In no case shall any indicator be less stringent or less protective, on the basis of overall health protection, than the annual emission reduction requirement in subdivision (a) of Section 40914.~~

~~(g) Establish, not later than July 1, 1996, a uniform methodology which may be used by districts in assessing population exposure, including, but not limited to, reduction in exposure of districtwide subpopulations such as children, the elderly, and persons with respiratory disease, to ambient air pollutants at levels above the state ambient air quality standards; for estimating reductions in population exposure for the purposes of Sections 40913, 40924, and 41503, and for the establishment of the means by which reductions in population exposures may be achieved. The methodology adopted pursuant to this subdivision shall be consistent with the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.), and with this division, including, but not limited to, Section 39610.~~

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